

United States Senate
WASHINGTON, DC 20510

March 26, 2026

The Honorable Howard Lutnick
Secretary of Commerce
U.S. Department of Commerce
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Secretary Lutnick:

We write to urge the Commerce Department to take prompt and decisive action to support American workers and their communities by launching a new Section 232 investigation into imports of heavy construction and agricultural equipment. The heavy construction and agricultural equipment that our constituents make powers America's farms, builds our infrastructure, and helps to feed the world. Comprehensive trade remedies are needed to hold companies accountable for offshoring jobs and compel the industry to move these manufacturing jobs back to the United States.

We stand with working Americans in support of leveling the playing field and ending trade policies that have hollowed out our communities and prevented millions of people from achieving financial security. Despite strong warnings and the inclusion of several heavy equipment products under the steel and aluminum tariffs, manufacturers in the heavy equipment industry have refused to invest in the American worker. Rather, they have doubled down on offshoring their production.

We are outraged that John Deere, Case New Holland (CNH), Caterpillar, and other major manufacturers have turned their backs on the American workers, families, and towns that built them by sending production of heavy construction and agricultural equipment to Mexico. In Racine, Wisconsin, where CNH was founded in 1842, the company laid off 220 workers in the Spring of 2024 as part of a so-called "company rebalance." At the same time, they moved production to Mexico. In Burlington, Iowa, union workers at CNH have been building backhoes since they were invented nearly 70 years ago. In January, CNH announced closure of its Burlington facility. All of the roughly 200 workers at the Burlington plant are now set to lose their jobs because of the company's decision to close the facility after years of moving production offshore. John Deere laid off over 3,600 union workers after moving production of mower conditioners, tractor cabs, small-frame skid steers, and balers from facilities in Iowa to Mexico. The company is now moving forward with plans to offshore more products to a new

\$55 million facility in Mexico. Caterpillar moved substantial segments of its production offshore decades ago and has six production facilities in Mexico, including several that have been reported for rampant labor abuses such as illegal blacklisting and harassment for union activity. The company currently has no plans to return production from abroad.

These companies should not be allowed to eliminate American jobs, pay Mexican workers poverty wages, and then ship products back to the U.S. for additional profit on the backs of our communities. They argue that offshoring is necessary to remain competitive, but when it comes time to pay executives or shareholders, they are never short of money. In the past few years, John Deere has paid \$8.4 billion to shareholders. CNH has delivered \$1.7 billion to shareholders since 2024. Caterpillar has returned \$18.2 billion through dividends and buybacks. These companies and their executives should not be rewarded for destroying American jobs or permitted to import their products without facing a penalty.

Finally, while Section 232 tariffs will be instrumental in holding these companies accountable, the US-Mexico-Canada trade agreement currently allows imports of heavy equipment to come through Mexico duty-free and without any rule of origin. Rather than supporting domestic industry, this has incentivized major heavy equipment manufacturers to locate production in Mexico. Any efforts that the Administration takes solely on Section 232 will be weakened by the shortcomings that currently exist in USMCA. To fully address the actions to offshore taken by these companies, the Administration must address these issues.

The Trump administration has a unique opportunity not only to prevent Case New Holland, Caterpillar, and John Deere from offshoring more jobs but also to shift the entire heavy equipment industry back to full production in America. We urge the Department to launch a new Section 232 investigation into heavy equipment imports, including agricultural implements, construction and mining equipment, forestry and logging equipment, heavy machinery, their respective parts, and their derivative products. We firmly support the imposition of targeted tariffs on this sector in order to safeguard good jobs and American heavy equipment production.

Thank you for your attention to this matter.

Sincerely,



Tammy Baldwin
United States Senator



Bernie Moreno
United States Senator